

NEW YORK DISTRICT COUNCIL OF CARPENTERS

UNION TRUSTEES

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BENEFIT FUNDS

Stuart R. GraBois
Executive Director

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New York, N.Y. 10014
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MANAGEMENT TRUSTEES

Richard Harding
Co-Chairman
George Greco
Michael Mazzucca
David Meberg
Paul O'Brien
Joseph Olivieri

March 24, 2004

4/1/04

K W Construction Incorporated
4235 Katonah Avenue
Bronx, NY 10470

RE: Delinquency in Fringe Benefit Contributions for the period 01/01/00 to 06/30/03

Dear Sir/Madam:

Enclosed are the results of the audit of the books and records of the above named company for the period indicated as performed by Shultheis & Panettieri, CPAs for the New York District Council of Carpenters Benefit Funds ("Funds"). The enclosed audit report indicates a delinquency in fringe benefit contributions in the amount of \$152,345.89. Also, include a separate check for the Promo Fund in the amount of \$662.00.

IMPORTANT NOTICE: If this audit is paid within fourteen (14) days of the date of this letter, there will be no delinquency assessment charge of \$25,598.38. If payment is made after 14 days, kindly include the delinquency assessment of \$25,598.38 with your payment. Also, daily interest at 7.5% *per annum* will be charged and added to any amounts due.

If you agree with the findings of the enclosed audit, you must pay the delinquent fringe benefit contributions within fourteen (14) days of the date of this letter. Mail your check, made payable to "NYDCC Benefit Funds", to Schultheis & Panettieri, CPAs at 210 Marcus Boulevard, Hauppauge, NY 11788-3701. Telephone: (631) 273-4778.

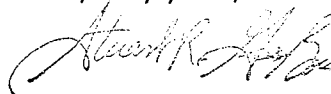
If you dispute the findings of this audit, you must respond within fourteen (14) days of the date of this letter by submitting detailed exceptions to Schultheis & Panettieri, CPAs at the address listed above. Your exceptions will be reviewed and a response given to you shortly thereafter. At that point, immediate payment of any delinquencies will be required.

If you do not have the ability for an immediate payment and need a payment plan, please contact Charles A. Poekel, Esq. of the Legal Department of the Funds at (212) 366-7474. Please be aware that any payment plan is strictly subject to approval by the Delinquency Committee or the Board of Trustees.

If you fail to pay the delinquent fringe benefit contributions within fourteen (14) days from the date of this letter and have not submitted your exceptions to our CPAs within that time, the Funds may institute suit in Federal Court or commence an arbitration proceeding to collect the amount due and the additional damages to which they are entitled under the Employee Retirement Income Security Act, including (i) liquidated damages, (ii) interest imposed by statute, (iii) attorney's fees, and (iv) court costs. Also, the Funds may seize without further notice to you any surety your company may have posted, in which event your company may no longer be in compliance with its existing contract.

Also, The New York District Council Will Be Notified And Advised To Take Further Action.

Very truly yours,



Stuart R. GraBois,
Executive Director